- (c)(1) In order to qualify for this exemption, the space occupied by the demolished unit must be used for meeting the service or other needs of public housing residents (use of space to construct a laundry facility, community center, child care facility, office space for a general provider; or for use as open space or garden); or
- (2) The unit being demolished must be beyond repair.
- (d) PHAs utilizing this section will comply with environmental review requirements at 24 CFR 970.13 and, if applicable, the requirements of 24 CFR 8.23.
- (e) For recordkeeping purposes, PHAs that wish to demolish units under this section shall submit the information required in §970.7(a)(1), (2), (12), (13), and (14). HUD will accept a certification from the PHA that one of the two conditions in paragraph (c) of this section apply unless HUD has independent information that requirements for "de minimis" demolition have not been met.

[71 FR 62362, Oct. 24, 2006, as amended at 73 FR 3868, Jan. 23, 2008]

§ 970.29 Criteria for disapproval of demolition or disposition applications.

HUD will disapprove an application if HUD determines that:

- (a) Any certification made by the PHA under this part is clearly inconsistent with:
 - (1) The PHA Plan;
- (2) Any information and data available to HUD related to the requirements of this part, such as failure to meet the requirements for the justification for demolition or disposition as found in §§ 970.15 or 970.17; or
- (3) Information or data requested by HUD; or
- (b) The application was not developed in consultation with:
- (1) Residents who will be affected by the proposed demolition or disposition as required in § 970.9; and
- (2) Each resident advisory board and resident council, if any, of the project (or portion thereof) that will be affected by the proposed demolition or disposition as required in §970.9, and appropriate government officials as required in §970.7.

§ 970.31 Replacement units.

Notwithstanding any other provision of law, replacement public housing units may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement public housing units is significantly fewer than the number of units demolished. Such development must comply with 24 CFR part 905, Public Housing Capital Fund Program, as well as 24 CFR part 941.

§970.33 Effect on the Operating Fund Program and Capital Fund Program.

The provisions of 24 CFR part 990, the Public Housing Operating Fund Program, and 24 CFR part 905, the Public Housing Capital Fund Program, apply.

§ 970.35 Reports and records.

- (a) After HUD approval of demolition or disposition of all or part of a project, the PHA shall provide information on the following:
- (1) Actual completion of each demolition contract by entering the appropriate information into HUD's applicable data system, or providing the information by another method HUD may require, within a week of making the final payment to the demolition contractor, or expending the last remaining funds if funded by force account;
- (2) Execution of sales or lease contracts by entering the appropriate information into HUD's applicable data system, or providing the information by another method HUD may require, within a week of execution;
- (3) The PHA's use of the proceeds of sale by providing a financial statement showing how the funds were expended by item and dollar amount;
- (4) Amounts expended for closing costs and relocation expenses, by providing a financial statement showing this information for each property sold; and
- (5) Such other information as HUD may from time to time require.
 - (b) [Reserved]